

March 1, 2010

Chairman Julius Genachowski
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Live Nation Entertainment, Inc. Comments on Licensing of Wireless Microphones
WT Docket No. 08-166, WT Docket No. 08-167, ET Docket No. 10-24

Live Nation Entertainment, Inc. ("LNE") hereby submits these comments in the above-referenced proceeding¹ in order to share with the Federal Communication Commission's ("FCC" or "Commission") its unique perspective on the music and live entertainment industry, its impact on the economy and the vital importance of wireless microphones for all live events in small and large venues for both artists and musicians. LNE supports the Commission's proposal to extend Part 74 wireless microphone licensing eligibility to additional groups and users, and specifically supports licensing eligibility for professional users operating these systems in performance venues, large and small, indoors and outdoors, as well as for rental companies. As discussed below, wireless microphone systems are essential pieces of equipment used by performers on concert tours in their efforts to connect in a meaningful way with their fans.

I. Background of Live Nation Entertainment, Inc.

In January 2010, Live Nation, Inc. and Ticketmaster Entertainment, Inc. merged to form Live Nation Entertainment, Inc. ("LNE"). LNE is a major performance venue owner and operator in the United States, as well as the largest producer of live concerts in the world. LNE is committed to empowering artists, developing new acts, and ensuring that the live entertainment industry continues to grow and thrive.

Front Line Management Group ("Front Line") is the world's leading artist management company, and is an integral part of LNE. Front Line represents over 200 artists from virtually every musical genre, including the Eagles, Christina Aguilera, Jimmy Buffett, Jennifer Hudson, Neil Diamond, Earth Wind & Fire, Kenny Chesney, and Bon Jovi.

¹ *Amendment of Parts 15, 74, and 90 of the Commission's Rules Regarding Low Power Auxiliary Stations, Including Wireless Microphones*, WT Docket Nos. 08-166, 08-167; ET Docket No. 10-24, Further Notice of Proposed Rulemaking, FCC 10-16 (rel. January 15, 2010) ("FNPRM").

Live Nation Worldwide, Inc. ("Live Nation"), now a subsidiary of LNE, is the largest producer and promoter of live musical concerts in the world. In 2009, over 52 million fans attended more than 22,000 Live Nation concerts on behalf of 2,000 artists in 42 countries. In North America alone, Live Nation produced or promoted approximately 9,500 events, which generated \$2.6 billion in revenue. In addition, our Artist Nation group provides services directly to artists such as Madonna, Jay-Z and U2, including production and promotion of their global music tours. Through its combined ventures, Live Nation grossed over \$4 billion in revenues in 2009 and has approximately 4,300 full-time employees.

Live Nation also owns, operates or leases more than 85 entertainment venues in the United States. These venues range from large amphitheaters that can seat up to 30,000 people to smaller theaters that seat less than 5,000 people. In addition, Live Nation operates amphitheaters, clubs, and theaters, including The Fillmore in San Francisco, the Hollywood Palladium, and the Jiffy Lube Live (a.k.a., the Nissan Pavilion) and the Warner Theater in Washington DC.

One of Live Nation's most unique set of venues is the House of Blues. The twelve House of Blues locations in the United States were designed to celebrate the history of southern culture and African American artistic contributions to the arts and music. Each House of Blues is comprised of a live music hall that usually seats between one and two thousand people.

LNE's Ticketmaster Entertainment LLC ("Ticketmaster") subsidiary is the premiere seller and distributor of event tickets and ticket resale services, and its website, www.ticketmaster.com, is one of world's largest e-commerce sites on the Internet. Ticketmaster has approximately 3,800 full-time employees worldwide. In 2009, Ticketmaster sold tickets for more than 10,000 clients, which resulted in more than 130 million tickets sold and gross revenues of approximately \$8.0 billion.²

LNE's promotion, venue, ticketing, and artist management businesses are all integrally related to its ability to arrange, produce, market, and ultimately deliver high-quality live performance events to consumers.

II. Live Entertainment is Vital to the Music Industry

The music industry is in increasingly bad shape. Internet piracy and file-sharing have devastated recorded music album sales, and, unfortunately, the increase in digital single-track sales (as opposed to full-album sales) has not nearly made up for the difference. Consequently, the majority of artists have had to make their money on the road touring. Thus, live performances have become more important than ever to artists' bottom lines. Instead of touring to support album sales, as was the case in years past, the recorded album acts as a preview of the live entertainment, which is now the primary revenue driver for the music industry.

² Ticketmaster is the primary ticket seller and distributor for a wide range of facilities and venues. It facilitates ticket sales for stadiums, arenas, theaters, clubs, and universities across the United States.

It is in the live performance where artists establish their fan base. Recognizing this trend, LNE has developed innovative incentives and marketing to ensure that, even in a challenging economy, fans are able to afford and enjoy the shows they've produced. For example, in some cases where the artists have allowed it, Live Nation has provided free downloads of albums with the purchase of a ticket or sharply reduced ticket prices or provided package deals. Despite a difficult economy, live concerts and events are still the primary source of revenue for the music industry. As such, it is essential that our performances can continue to be brought to life for our audiences with impeccable world-class audio.

The economic impact of a successful -- or failed -- live performance is significant. In addition to the thousands of people employed directly by the music industry, these events also support numerous secondary industries, such as merchandising, tourism, and transportation. Undeniably, local economies and small businesses all benefit from the ancillary spending that accompanies live concert events.

In order to survive, promoters, performers, and their technical crews must have reliable and interference-free audio equipment. Paying audiences will not, and should not, tolerate disruptive distortion of the audio at a live entertainment event.

III. Importance of Interference-Free Wireless Audio Devices

In today's production environment, wireless microphones are one of the most essential pieces of sound equipment in use at a live music performance. This precise and sensitive technology is absolutely required by today's performing professional artists. Large venues can use dozens, or even hundreds, of wireless microphones, in-ear monitors, and related equipment for a single concert or sporting event. Experienced professional audio technicians responsible for the sound production are essential personnel at any ticketed performance. All of these wireless microphone systems are meticulously coordinated by sound engineers, and technicians spend a significant period of time testing and coordinating the use of wireless microphones in order to avoid what could be devastating interference and ensure that the audience enjoys the highest-quality audio. All of these efforts, however, would be futile if the Commission's rules do not afford interference protection through licensing.

Almost every aspect of a live event involves the use of some type of wireless audio devices -- from the vocalists and instrumentalists to stage crews using wireless intercoms and cueing systems to coordinate staging. Not only can disruptions to the performers' audio ruin the audience's enjoyment, but interference to wireless communications systems used by crew behind the scenes can be disruptive and dangerous. Stage crews rely on clear communications to coordinate staging and the movement of heavy equipment, and even sometimes cue and monitor artists performing above the stage or over the audience. In these situations, interference with that wireless audio equipment could have horrible consequences.

The level of effort involved in mounting a successful live music tour is substantial. Musicians, sound and lighting technicians, stage and road crews, venue managers, not to mention the investors, promoters, producers, ticketing and booking agents, rental companies, advertisers, and local facilities operators involved long before the event occurs, must come together in

perfect coordination to produce a flawless live experience for audiences, night after night. If the wireless microphone systems used in any one of these performances experiences unpredictable interference, it becomes a fatal weak link in the chain that will mark the difference between a successful and ruined performance.

LNE prides itself on providing audiences across the US (and the world) with performances by the premier artists of our day, and audiences spend hard-earned money to have the opportunity to witness this talent live. The long anticipated moment of hearing the guitar solo of Eddie Van Halen or the voice of Don Henley simply cannot be put at risk by random, unpredictable interference caused by a portable device in the unknowing hands of an audience member. These problems would be intolerable to any performer or member of an audience. In a live setting, there is simply no second chance to deliver a first impression.

Interference has the same devastating effect whether in large or small venues. Wireless microphones are deployed with the same regularity in LNE productions utilizing smaller venues such as the House of Blues. Audiences attending performances at the House of Blues or a local theater seating fewer than 250 people have the same expectations for high-quality audio as those individuals sitting in the middle of Madison Square Garden. Audience members do not expect, and should not accept, inferior audio quality simply because they enjoy watching an artist in a more personal and intimate performance space. In many cases, the artists will use the exact same equipment to perform in smaller venues. In addition, in smaller and more confined spaces, it is highly possible that portable "white space" devices may operate in closer proximity to audio equipment, and therefore, there may be an increased potential for interference. As such, eligibility should not be limited to mega-venues, but must also include smaller venues that may be even more significantly impaired without protection from interference.

III. Commission Must Expand Eligibility for Part 74 Licenses to Professional Users Operating Wireless Microphone Systems at Live Performance Venues

LNE supports the Commission's proposal to expand Part 74 wireless microphone licensing to venues -- large and small -- hosting live events, as well as to producers of live professional arts, entertainment and sporting events³ as well as conventions, trade shows and other cultural events.⁴ The Commission is absolutely correct that these events "rely upon numerous wireless microphones" and are "sufficiently analogous to the uses now permitted by Part 74"⁵ to warrant protection from interference. While some users are operating wireless microphones for events that are broadcast or recorded, and therefore may already be eligible for licensed wireless microphones under the current rules, many existing professional users may not be eligible under current rules, or their eligibility is unclear.

As far back as 1977, the Commission recognized that live entertainment events have similar needs for wireless audio licenses as broadcasters, and stated it would "consider on a case-by-case basis applications by other groups such as live entertainment program producers" to

³ FNPRM, ¶ 129.

⁴ *Id.* at 133.

⁵ *Id.*

license and use Part 74 wireless microphones.⁶ Since that time, there has been an explosive expansion of technology and use of wireless microphones in not only "entertainment" events, but also for events that use the same high-quality production values including conferences, trade shows and some cultural events.

LNE appreciates that the Commission may not want to allow anyone and everyone to apply for and receive a wireless microphone license, and understands that the Commission must balance the necessity of protecting important wireless microphone uses while ensuring that the spectrum is not unduly burdened or cluttered. Therefore, LNE respectfully recommends that the Commission extend eligibility to professional users, who have demonstrated their need for interference-free, higher powered wireless microphones and responsible usages of these wireless audio systems. Specifically, Part 74 eligibility for wireless microphone license should be extended to professional users operating wireless microphone systems at live performance venues such as indoor and outdoor seated facilities including amphitheaters, arenas, stadiums, theaters, and outside entertainment venues including amusement parks and fairgrounds, convention and conference centers. LNE would also support making licenses available to rental houses who often supply the professional equipment and skilled technicians primarily responsible for sound production at many live events.

Conclusion

For the foregoing reasons, Live Nation Entertainment, Inc. respectfully urges the Commission to move forward with its proposal to extend Part 74 wireless microphone licensing eligibility to professional users operating wireless microphone systems at live performance venues, rental houses, and other groups with a demonstrated need for higher power and interference-free audio equipment.

Sincerely,

Live Nation Entertainment, Inc.

By: 

Michael Rowles, Executive Vice President,
General Counsel and Secretary

cc:

Commissioner Meredith Attwell Baker
Commissioner Mignon Clyburn
Commissioner Michael J. Copps
Commissioner Robert M. McDowell

⁶ Amendment of Part 2 and Subpart D, Part 74 of the Commission's Rules and Regulations with Respect to the Use of Wireless Microphones, Report, Memorandum Opinion and Order, 63 FCC 2d 535 (1977).